-------- Original Message --------
Subject: Here is the update email.
From: Jerry Ulrich <jerryjulrich@gmail.com>
Date: Wed, October 24, 2018 11:38 am
To: Michael Alexander <Michael@MichaelAlexander.me>

Michael,

Thank you for taking the time to fully review this email. I know this email is long, however, after our conversation I felt it necessary to get on the same page so we can move forward with clear communication. In order to make this happen I want to address all the concerns outlined in our conversation so I went back and reviewed the emails and written correspondence we have had. Before I go over this information I want to share with you my gratitude for everything you have done and I really look forward to the success we will enjoy in the future. I am setting the intention that this email will reflect my gratitude, appreciation and most of all my desire to work together with you.

One of the items you bring up is you feel I have not properly informed you of the information you need and you also shared that you don't like doing business this way or without a business plan. With this in mind I went back to the beginning to make sure we are using the documents I have sent over to try and accomplish what you say is missing. The starting point to our agreement was initially outlined on November 6th, 2017 in the email below. I have attached the email for your review, however, the key points I want to outline are these:

❏ Item 1: My priority objectives for the agreement was the need to establish a skilled partner with strong business skills, integrity, connections and someone who would be willing to jump in and assist in the day-to-day operations. On several occasions Smash had the opportunity to have strategic partnerships that would have funded the company if we gave them half the equity, however, those options did not come with someone that would be a solid partner. Michael I knew that if we locked arms and committed to making this happen we would succeed.

❏ Item 2: As you can see in the initial email I needed support with several obligations in order to make the deal work. You mentioned during the call that we started to early and that you never wanted to tap into any personal resources to make Smash happen, however, from day 1, I have been very I clear of the situation Smash and my personal accounting was in. I was not asking you to pay the same amount I invested in Smash, however, I did request support for the several issues that I needed your support to resolve. It feels from the comments made that Smash is completely defunct and the value is nothing. In addition you said in the call that you said you never wanted anything to do with Smash Solutions only Smash Technology 2.0, however, your first agreements were with Smash Solutions and it was not till we went down to Sterling and the concern about the backlash from investors created the new plan to separate you from Smash Solutions. I get the caution and although we did not get any backlash as I initially thought would be

the case. I shared with you my financial situation and that I would give all my effort in building a team, building the system and deploying this to our organization.

I just want to clean up these issues so you feel happy and confident of the progress. It's hard to get on the phone and know your going to be upset with me and I don't have quick resolutions for you. We simply cannot work harder than what we are doing and I feel nervous to bring up any of the initial support requests because I feel it will just upset the situation further. That is why I am putting this all in an email for your review so you can see the details directly. I also want to correct the course so we can move forward synergistically. I want to be able to discuss any issue, concern and success with you without a worry of creating more frustration. I want to be able to focus on solutions and positive conversations.

"JJ, I signed the contract and have attached. It is a digital signature; Sterling said was ok. I can do a wet signature if they insist. I hereby authorize per our verbal agreement and you have my permission to use up to $50,000 I wired to you to buy bitcoin for me to pay the first payment to the Development Team together with our shared funds from Uberfund to cover the $76,000 first installment. You mentioned they want bitcoin so if you need to convert go ahead. Buy low and sell high to give us a little cushion. Call me when you are up so we can put our heads together on how we cover the next payment coming up in 30 days".

1. Uberfund: $30,000 to $60,000 Monthly. I would like to keep this being split if possible for expenses and operations of growing bitclub as it has significantly hurt financially to lose access to this however we could move forward with splitting it again if we can use the trading and bitmax to cover the expenses. 1. Bitmax being added to the mining system a. This could generate based on estimation and not looking at your current setup an additional 25% over what is currently being generated. I am not sure the total of this without discussing with you further. i. Trading: a. For each Bitcoin a good average over the last few months is an increase of $2000 on any month. This is a safe level of trading and activity. We could achieve a much higher success but in order to limit potential loses we need to move with caution. b. 1 BTC moving from an example of $9k to $11k would generate us $2000 per bitcoin. In order to achieve our low monthly budget number we would need to hit the following numbers. i. 55 Bitcoin In Active Trade should be $110k just from trading. This would cover month 1. ii. Month 2 through launch we could fund all expenses best case with 100 Bitcoin in trade but a buffer would be better if we used 125 or 150.
a. We would never trade it without stop losses in place and we could refund the 150 loan to start trading if we have a steller trade during a flash crash or other growth factor giving us a greater return than the 2k per bitcoin.
b. Deployment Plan: i. We are in the final selection process of getting the development company onboard. This is a huge success because with the agreement in place to allow them to show Smash as a flagship product they have developed it will allow us to reduce our development costs to a couple million dollars instead of over 9 million dollars. We will

be reviewing their proposals and selecting a go forward strategy once they fully review the specification documentation and submit the required RFP proposal. ii. Once we have the selection of the development company finalized we will need to meet and go through the complete specification build requirements for the first deployment of the alpha release specifications and minimum viable product. This will allow us to start a minimum billable level to early adopters. The goal would be to achieve minimum funding level to not draw from internal resources any longer than we need to to complete the product. c. Development Company Selection: We are currently working with two companies to bid 2. Call Center Group: a. We have reduced our call center team to two individuals that are still at $500 a weak base plus commission and three that are on a straight commission plan that work part time. The two people we still have on base are consistently producing leads and have pending closes that far exceed the amount that we have paid them to date. Although these deals are being pushed out to people that have leased them we still receive the overrides on these deals. In setting up the call center it did take significantly longer to get these core individuals trained and weed out the individuals that were not going to be able to meet the expectations or breakeven on what they were making. We did go upside down on the call center significantly however we have now moved everybody to calling from their personal offices to reduce cost. Since bitclub had no formalized training process we need of developing the entire training system the call center needed in order to be successful and with the growth we were experiencing on own team it was taking longer than we can continue to support the call center costs. We have a full breakdown of this in spreadsheets that can be reviewed if you want to go through them. b. Moving forward everything we placed into a CRM lead response system and you can look at the financial gain and pipeline upon request. We will be complete with that system and have everything imported by the end of February. 1. Implementing Bitmax System: a. The Bitmax system has taken months of planning and preparation to prepare and simplify enough to utilize on a day-to-day basis. We need to move Jim into the top new shared position so he can begin implementing the on boarding process to our team. We have developed an integration plan and on boarding cost that combined with his shared spot should adequately compensate him while creating a significant financial gain for our team and the offshore entity. The only action item I need from you is the username and account access to the position we spoke about.

Live This Day With Excellence And Make It An Incredible Day!

Jerry J Ulrich